

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* BROOKFIELD TOWNSHIP	County* HURON	Type* TOWNSHIP	MuniCode* 32-1-030
Opinion Date-Use Calendar* Sep 22, 2008	Audit Submitted-Use Calendar* Sep 24, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues that were collected for another taxing unit timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan as revised (see Appendix H of Bulletin)?
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/> ?	18. Are there reported deficiencies?
<input type="checkbox"/> ?	19. If so, was it attached to the audit report?

General Fund Revenue:	? \$ 85,758.00
General Fund Expenditure:	? \$ 57,436.00
Major Fund Deficit Amount:	\$ 0.00

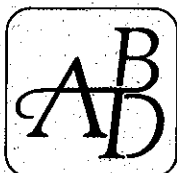
General Fund Balance:	? \$ 161,825.00
Governmental Activities Long-Term Debt (see instructions):	? \$ 107,500.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* GARY	Last Name* ANDERSON	Ten Digit License Number* 1101005446		
CPA Street Address* 715 E. FRANK ST.	City* CARO	State* MI	Zip Code* 48723	Telephone* +1 (989) 673-3137
CPA Firm Name* ANDERSON, TUCKEY, BERNARD	Unit's Street Address* 6829 SEBEWAING ROAD	Unit's City* OWENDALE	Unit's Zip* 48754	

BROOKFIELD TOWNSHIP
HURON COUNTY
Owendale, Michigan

Report on Financial Statements
(with additional information)
Year Ended March 31, 2008



ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants

Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA
Valerie J. Hartel, CPA
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Robert L. Tuckey, CPA

September 22, 2008

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Brookfield Township, Huron County, Michigan
Owendale, Michigan 48754

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Brookfield as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township of Brookfield management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended and interpreted, as of March 31, 2008.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Brookfield as of March 31, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis budgetary comparison information on pages i through viii and 15-17 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township of Brookfield's basic financial statements. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Brookfield Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

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CERTIFIED PUBLIC ACCOUNTANTS

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BROOKFIELD TOWNSHIP

Management's Discussion and Analysis For the Fiscal Year Ended March 31, 2008

As management of the Township of Brookfield, we offer readers of the Township of Brookfield financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2008.

This reporting model was adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management Discussion and Analysis (MD&A) – for State and Local Governments issued in June of 2000. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the township has elected to exclude the comparative information. We expect this situation to continue because small townships are only required to have an audit every other year.

FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$355,082. Of this amount, \$161,825 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$27,702.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$245,545, an increase of \$42,692 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$161,825, or 282 percent of total general fund expenditures.

OVERVIEW OF THE FIANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary and additional information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

**Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2008**

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent personal property taxes).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes, special assessments and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, health and welfare, community and economic development, culture and recreational, and other functions.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains several individual governmental funds. Information is presented separately in governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major

**Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2008**

fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund in the required supplementary information and for the special revenue funds in additional information to demonstrate compliance with budgets.

The basic governmental fund financial statements can be found on pages 3 and 4 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 6 of this report.

Notes to the financial statements. The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7 through 14 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's general fund and revenue budget. Required supplementary information can be found on pages 15 through 17 of this report.

Combining fund statements can be found on page 20 of this report.

BROOKFIELD TOWNSHIP

Management's Discussion and Analysis For the Fiscal Year Ended March 31, 2008

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township, assets exceeded liabilities by \$355,082 at the close of the most recent fiscal year.

A portion of the Township's assets (46 percent) reflects its investment in capital assets (e.g., land, building, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Township's investment in its capital assets is reported net of related debt.

Township of Brookfield's Net Assets

	Governmental activities	
	March 31, 2008	
Current and other assets	\$	245,883
Capital assets		217,037
Total assets	\$	<u>462,920</u>
Current liabilities	\$	7,838
Long-term liabilities		100,000
Total liabilities		<u>107,838</u>
Net assets:		
Invested in capital assets		109,537
Unreserved		245,545
Total net assets		<u>355,082</u>
Total liabilities and net assets	\$	<u>462,920</u>

The balance of unrestricted net assets of \$245,545 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances.

The government's net assets increased by \$27,702 during the current fiscal year. The majority of this increase represents the degree in which increases in ongoing revenues have outstripped similar increases in ongoing expenditures.

BROOKFIELD TOWNSHIP**Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2008**

Governmental activities. Governmental activities increased the Township's net assets by \$27,702. Key elements of this increase are as follows:

Township of Brookfield's Changes in Net Assets

	<u>Governmental activities</u>
	<u>2008</u>
Revenues:	
General revenues:	
Property Taxes:	
Levied for general purposes	\$ 37,092
Fire and ambulance levy	160,987
State sources	43,420
Investment earnings	3,311
Other	7,771
Total revenues	<u>252,581</u>
Expenses:	
General government	34,282
Public safety	26,160
Public works	127,015
Cultural and recreational	500
Other functions	36,922
Total expenses	<u>224,879</u>
Increase in net assets	27,702
Net assets, beginning of year	327,380
Net assets, end of year	<u>\$ 355,082</u>

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balance of \$245,545, and increase of \$42,692 in comparison with the prior year. Approximately 66 percent of this total amount of \$161,825 constitutes unreserved fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was \$161,825, while total fund balance reached \$161,825. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 282 percent of total general fund expenditures, and the total fund balance represents the same percent of that amount.

The fund balance of the Township's general fund increased by \$14,625 during the current fiscal year.

BROOKFIELD TOWNSHIP

Management's Discussion and Analysis For the Fiscal Year Ended March 31, 2008

General Fund Budgetary Highlights

The final amended budget was changed from the original budget, and the individual fluctuations can be summarized as follows:

- \$3,589 increase in clerk activities
- \$3,120 increase in treasurer activities
- \$4,549 increase in township hall & grounds activities

The main reason for the changes resulted from reallocating expenses across the different governmental activities. During the year, budgetary estimates for expenditures were more than actually incurred.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of March 31, 2008 amounts to \$217,037 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and office equipment and furniture.

Major capital asset events during the current fiscal year included the following:

Township of Brookfield's Capital Assets (net of depreciation)

	<u>Governmental activities</u> <u>March 31, 2008</u>
Land	\$ 24,000
Buildings	6,662
Land and building improvements	7,081
Machinery and equipment	175,094
Office equipment and furniture	4,200
	<u>\$ 217,037</u>

Additional information on the Township's capital assets can be found in Note 3 on page 12 of this report.

Economic Factors and Next Year's Budgets and Rates

Township of Brookfield's goal is to continually look for the most efficient and effective methods to maintain and enhance the services that are provided to the public. The Township has a conservative and financially prudent budget for the fiscal year 2009.

The Township has deliberately made conservative estimates concerning state revenue sharing for fiscal year 2009 due to the budget constraints at the State level. It has also estimated investment earnings conservatively anticipating a slow increase in interest rates.

Request for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Township Clerk, 6829 Sebewaing Road, Owendale, MI 48754.

BASIC FINANCIAL STATEMENTS

BROOKFIELD TOWNSHIP, HURON COUNTY
STATEMENT OF NET ASSETS
MARCH 31, 2008

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash	\$ 233,550
Due from other funds	<u>12,333</u>
TOTAL CURRENT ASSETS	245,883
CAPITAL ASSETS	
Land	24,000
Capital assets, net of accumulated depreciation	<u>193,037</u>
TOTAL CAPITAL ASSETS	<u>217,037</u>
TOTAL ASSETS	<u>\$ 462,920</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Payroll liabilities	\$ 338
Current portion of long-term debt	<u>7,500</u>
Total Current Liabilities	7,838
Long-term Liabilities	
Long-term USDA note payable	<u>100,000</u>
Total Long-term Liabilities	<u>100,000</u>
TOTAL LIABILITIES	107,838
NET ASSETS	
Invested in capital assets, net of related debt	109,537
Restricted	83,720
Unrestricted	<u>161,825</u>
TOTAL NET ASSETS	<u>355,082</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 462,920</u>

The accompanying notes are an integral part of the financial statements.

BROOKFIELD TOWNSHIP, HURON COUNTY
STATEMENT OF ACTIVITIES
MARCH 31, 2008

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program revenues</u>		<u>Net (expense)</u> <u>revenue and</u> <u>changes in net</u> <u>assets</u>
		<u>Charges for</u> <u>services</u>		<u>Total</u> <u>governmental</u> <u>activities</u>
Primary government				
Governmental activities				
Legislative	\$ 1,810	\$ -		\$ (1,810)
Executive	9,305	-		(9,305)
Clerk	6,361	-		(6,361)
Board of Review	554	-		(554)
Treasurer	15,522	-		(15,522)
Township hall & grounds	9,839	-		(9,839)
Zoning board	730	-		(730)
Drain at large	9,230	-		(9,230)
Elections	740	-		(740)
Road construction/maintenance	117,785	-		(117,785)
Public safety	26,160	15		(26,145)
Parks and cultural	500	-		(500)
Depreciation	26,343	-		(26,343)
Total governmental activities	<u>\$ 224,879</u>	<u>\$ 15</u>		<u>\$ (224,864)</u>
General revenues				
Taxes				\$ 198,079
License and permits				-
Intergovernmental				43,420
Metro				3,031
Interest				3,311
Other revenues				4,725
Total General revenues				<u>252,566</u>
Changes in net assets				27,702
Net assets, beginning of year				<u>327,380</u>
Net assets, end of year				<u>\$ 355,082</u>

The accompanying notes are an integral part of the financial statements.

BROOKFIELD TOWNSHIP, HURON COUNTY
COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPES
March 31, 2008

	<u>GENERAL FUND</u>	<u>FIRE FUND</u>	<u>ROAD FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>				
Cash	\$ 148,267	\$ 84,783	\$ 500	\$ 233,550
Taxes receivable				-
Due from other funds	13,896	1,669	6,712	22,277
<u>TOTAL ASSETS</u>	<u>\$ 162,163</u>	<u>\$ 86,452</u>	<u>\$ 7,212</u>	<u>\$ 255,827</u>
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES:				
Payroll liabilities	\$ 338			\$ 338
Due to other funds		\$ 9,944	-	9,944
<u>TOTAL LIABILITIES</u>	<u>338</u>	<u>9,944</u>	<u>-</u>	<u>10,282</u>
FUND EQUITY:				
Investment in general fixed assets	-	-	-	-
Fund Balance:				
Unreserved:				-
Undesignated	161,825	76,508	\$ 7,212	245,545
<u>TOTAL FUND EQUITY</u>	<u>161,825</u>	<u>76,508</u>	<u>7,212</u>	<u>245,545</u>
<u>TOTAL LIABILITIES & FUND EQUITY</u>	<u>\$ 162,163</u>	<u>\$ 86,452</u>	<u>\$ 7,212</u>	<u>\$ 255,827</u>

Total Fund Balances - Governmental Funds

\$245,545

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds

The cost of the capital assets is:

448,060

Accumulated depreciation is:

(231,023)

Long term liabilities are not due and payable in the current period and are not reported in the funds

Loans payable

(107,500)

Net Assets of Governmental Activities

\$355,082

The accompanying notes are an integral part of the financial statements.

BROOKFIELD TOWNSHIP, HURON COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2008

	<u>GENERAL</u>	<u>FIRE FUND</u>	<u>ROAD FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUE:				
Taxes	\$ 37,092	\$ 32,053	\$ 128,934	\$ 198,079
Licenses & permits	15	-	-	15
Intergovernmental revenue	43,420	-	-	43,420
Metro	3,031	-	-	3,031
Interest		3,310	1	3,311
Miscellaneous	2,200	2,525	-	4,725
TOTAL REVENUE	<u>85,758</u>	<u>37,888</u>	<u>128,935</u>	<u>252,581</u>
EXPENDITURES:				
Legislative	1,810			1,810
Executive	9,305			9,305
Clerk	6,361			6,361
Board of Review	554			554
Treasurer	15,522			15,522
Township hall & grounds	12,684			12,684
Zoning board	730			730
Drain at large	9,230			9,230
Elections	740			740
Road construction/maintenance		-	117,785	117,785
Public safety		27,168		27,168
Parks and cultural	500			500
TOTAL EXPENDITURES	<u>57,436</u>	<u>27,168</u>	<u>117,785</u>	<u>202,389</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>28,322</u>	<u>10,720</u>	<u>11,150</u>	<u>50,192</u>
OTHER FINANCING SOURCES (USES):				
Transfer In	14,625			14,625
Transfer Out		(3,738)	(10,887)	(14,625)
Loan payments - USDA		(7,500)		(7,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>14,625</u>	<u>(11,238)</u>	<u>(10,887)</u>	<u>(7,500)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES	<u>42,947</u>	<u>(518)</u>	<u>263</u>	<u>42,692</u>
FUND BALANCE - BEGINNING OF YEAR	<u>118,878</u>	<u>77,026</u>	<u>6,949</u>	<u>202,853</u>
FUND BALANCE - END OF YEAR	<u>\$ 161,825</u>	<u>\$ 76,508</u>	<u>\$ 7,212</u>	<u>\$ 245,545</u>

The accompanying notes are an integral part of the financial statements.

BROOKFIELD TOWNSHIP, HURON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balances - total governmental funds	\$ 42,692
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Governmental funds report capital outlay as expenditures in the statement of activities.
These costs are allocated over their estimated useful lives as depreciation:

Depreciation expense	(26,343)
Capital outlay	3,853

The issuance of long-term debt provides current financial resources to
governmental funds while the repayment of principal of long-term debt
consumes the current financial resources of governmental funds report
the effect of issuance costs, premiums, discounts, and similar items
when debt is first issued, where as these amounts are deferred and
amortized in the statement of activities. The effect of these differences
is the treatment of long-term debt and related items are as follows:

Payments on debt	<u>7,500</u>
------------------	--------------

Change in net assets of governmental activities	<u><u>\$ 27,702</u></u>
--	-------------------------

BROOKFIELD TOWNSHIP, HURON COUNTY
FIDUCIARY FUND
STATEMENT OF ASSETS AND LIABILITIES
March 31, 2008

	<u>TRUST AND AGENCY</u>
 <u>ASSETS</u>	
Cash	\$ 2,021
Taxes receivable	42,390
Due from other funds	
	<hr/>
TOTAL ASSETS	<u>\$ 44,411</u>
 <u>LIABILITIES</u>	
Due to general fund	\$ 3,952
Due to special revenue fund	8,381
Due to other governmental units	32,078
	<hr/>
TOTAL LIABILITIES	<u>\$ 44,411</u>

The accompanying notes are an integral part of the financial statements.

BROOKFIELD TOWNSHIP, HURON COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:

The Township covers an area of approximately 36 square miles within Huron County. The township operates under an elected Board and provides services to its more than 900 residents in many areas including law enforcement, administration of justice, community enrichment, development and human services.

The financial statements of Brookfield Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units, except as noted in Note 9. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. ADOPTION OF NEW ACCOUNTING STANDARDS:

During the fiscal period 2008, the Township adopted GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issue June 1999; GASB Statement 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments Omnibus, an amendment to GASB Statement No 21 and No. 34, issued June 2001, and in GASB Statement No. 38, Certain Financial Statement Note Disclosures, issued in 2001. These statements require the Township to prepare a Management's Discussion and Analysis, government-wide financial statements on an accrual basis, and make some changes to the footnotes.

The following table shows beginning net assets related for the effects of implementation of GASB Statement No. 34:

Fund balance at March 31, 2007 – governmental funds	\$ 202,853
Long-term liabilities (restated)	(115,000)
Net capital assets (restated)	<u>239,527</u>
Restated net assets – April 1, 2007	<u>\$ 327,380</u>

B. REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision whether to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based upon the application of these criteria, the financial statements of the Township of Brookfield, Huron County include the accounts of all Township operations. The Township's major operations include fire protection, road maintenance, and general administrative services. The Township has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Township.

BROOKFIELD TOWNSHIP, HURON COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes, special assessments and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due.

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current periods. All other revenue items are considered to be measurable and available only when cash is received by the government.

BROOKFIELD TOWNSHIP, HURON COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued):

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund is a special revenue fund. It is used to account for Fire Protection expenses.

The Road Fund is a special revenue fund. It is used to account for the Township's road tax levy

The Trust & Agency Fund is utilized to account for the Township's collection of taxes for other governmental units.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments and the public safety millage. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, the unrestricted resources, as they are needed.

E. ASSETS, LIABILITIES AND NET ASSETS:

1. Cash and Investments

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value. The Township's deposits and investments are in accordance with statutory authority.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 40% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

2. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

BROOKFIELD TOWNSHIP, HURON COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

E. ASSETS, LIABILITIES AND NET ASSETS (Continued):

3. Receivables

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls which are secured by the underlying property.

4. Restricted Assets

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants and Michigan law.

5. Capital Assets

Capital assets, which include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant, and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40-60 years
Leasehold Improvements	15-30 years
Office Equipment	3-7 years
Machinery and equipment	3-7 years

6. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

7. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

BROOKFIELD TOWNSHIP, HURON COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

E. ASSETS, LIABILITIES AND NET ASSETS (Continued)

8. Estimates

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits are carried at cost. Deposits of the Township are at banks in the name of the Township Treasurer.

The Governmental Accounting Standards Board Statements No. 3 risk disclosures for cash deposits are as follows:

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$235,571 and the bank balance was \$270,233, \$100,000 of which was covered by federal depository insurance. Michigan law does not require collateralization of government deposits. All of the Township's funds were in accordance with Michigan Compiled Laws, Section 129.91 and were invested in local banks.

INVESTMENTS:

State statutes and Township policy authorize the Township to invest in obligations of the United States, or agencies and instrumentalities of the U.S. commercial paper rated at the time of purchase within the top two classifications by at least two of the four rating agencies, certificates of deposits, repurchase agreements, banker's acceptance, and mutual funds.

The Township's investments are categorized to give an indication of the level of risk assumed at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's or by its trust department but not in the Township's name. At March 31, 2008, the Township had no investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

BROOKFIELD TOWNSHIP, HURON COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued):

The Township's cash and cash equivalents at March 31, 2008 are composed of the following:

CASH & CASH EQUIVALENTS

GENERAL	
Deposits	\$148,267
Other Funds:	
Deposits	<u>87,304</u>
TOTAL	<u><u>\$235,571</u></u>

NOTE 3 - CHANGES IN CAPITAL ASSETS:

A summary of changes in general fixed assets follows:

	Balance April 1, 2007	Additions	Deletions	Balance March 31, 2008
Assets not being depreciated - land	\$ 24,000			\$ 24,000
Other capital assets:				
Buildings	41,000			41,000
Leasehold Improvement	5,307	\$ 2,845		8,152
Machinery and equipment	335,900	1,008		336,908
Office Equipment	38,000	-		38,000
Subtotal	420,207	3,853	-	424,060
Accumulated depreciation:				
Buildings	33,313	1,025		34,338
Leasehold improvement	367	704		1,071
Machinery and equipment	140,400	21,414		161,814
Vehicles	30,600	3,200		33,800
Subtotal	204,680	26,343	-	231,023
Net other capital assets	215,527	(22,490)	-	193,037
Net capital assets	\$ 239,527	\$ (22,490)	\$ -	\$ 217,037

BROOKFIELD TOWNSHIP, HURON COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 4 – USDA NOTE AGREEMENT – FIRE TRUCK:

The note agreement is dated October 28, 2003 with interest at 4.25% paid semi-annually. The note is secured by the fire truck.

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT
(PRINCIPAL ONLY)
Year Ending March 31, 2008

2008	\$7,500
2009	7,500
2010	10,000
2011	10,000
2012	10,000
2013 - 2017	50,000
2018 - 2022	12,500
Total	<u>\$107,500</u>

NOTE 5 - LEGAL COMPLIANCE - BUDGETS:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level. During the year ended March 31, 2008, the following expenditures were in excess of the amounts appropriated:

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Fire Fund:			
Salaries	\$ 2,900	\$ 3,954	\$ (1,054)
Supplies	1,400	1,556	(156)
Utilities	1,500	1,708	(208)
Capital Outlay	-	1,147	(1,147)
Miscellaneous	-	75	(75)
Total	<u>\$ 5,800</u>	<u>\$ 8,440</u>	<u>\$ (2,640)</u>

Also for the year ended March 31, 2008, a deficit fund balance was budgeted for the Road Fund.

BROOKFIELD TOWNSHIP, HURON COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 6 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of July 1 and December 1. Taxes are levied on July 1 and December 1 and are due in September and February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year which includes the December 1 levy date. The Township levied a general millage of 1.1424 mills (\$37,092), a fire millage of .9872 mills (\$32,053) and a road levy of 3.9708 mills (\$128,934).

NOTE 7 - PENSION PLAN:

PLAN DESCRIPTION:

The township made a contribution to an IRA/SEP pension plan covering all elected officials who choose to belong to the plan. During the most recent plan year, the township's actual contribution amounted to \$3,030. The plan is funded through the Farm Bureau Life Insurance Company.

NOTE 8 – RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above described activities. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9 – DUE TO AND FROM OTHER FUNDS:

Due to and from other fund balances at March 31, 2008 are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General	\$13,896	
Special Revenue	8,381	\$9,944
Current Tax Collection		12,333
	<u>\$22,277</u>	<u>\$22,277</u>

NOTE 10 – TRANSFERS:

The following transfers were during the March 31, 2008 year for operating purposes:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$14,625	
Special Revenue		\$14,625
	<u>\$14,625</u>	<u>\$14,625</u>

REQUIRED SUPPLEMENTARY INFORMATION

BROOKFIELD TOWNSHIP, HURON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:				
Taxes	\$ 37,208	\$ 37,208	\$ 37,092	\$ (116)
Licenses & permits		-	15	15
Intergovernmental revenue	44,000	44,000	43,420	(580)
Metro			3,031	3,031
Interest				
Miscellaneous			2,200	2,200
TOTAL REVENUE	<u>81,208</u>	<u>81,208</u>	<u>85,758</u>	<u>4,550</u>
EXPENDITURES:				
Legislative	2,050	2,290	1,810	480
Executive	10,400	11,495	9,305	2,190
Clerk	9,950	13,539	6,361	7,178
Board of Review	600	646	554	92
Treasurer	12,500	15,620	15,522	98
Township hall & grounds	16,350	20,899	12,684	8,215
Zoning board	1,500	1,770	730	1,040
Drain at large	9,600	9,970	9,230	740
Elections	500	740	740	-
Road Construction/maintenance				-
Public safety				-
Parks and cultural		500	500	-
TOTAL EXPENDITURES	<u>63,450</u>	<u>77,469</u>	<u>57,436</u>	<u>20,033</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	17,758	3,739	28,322	24,583
OTHER FINANCING SOURCES (USES):				
Transfer In			14,625	14,625
TOTAL OTHER FINANCING SOURCES (USES)	-		14,625	14,625
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>17,758</u>	<u>3,739</u>	<u>42,947</u>	<u>39,208</u>
FUND BALANCE - BEGINNING OF YEAR	<u>118,878</u>	<u>118,878</u>	<u>118,878</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 136,636</u>	<u>\$ 122,617</u>	<u>\$ 161,825</u>	<u>\$ 39,208</u>

See the accompanying notes.

BROOKFIELD TOWNSHIP, HURON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FIRE FUND
YEAR ENDED MARCH 31, 2008

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES:				
Current property tax	\$ 32,152	\$ 32,152	\$ 32,053	\$ (99)
Fire calls				0
Standby fee				-
Miscellaneous	3,025	3,025	2,525	(500)
Interest			3,310	3,310
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUE	<u>35,177</u>	<u>35,177</u>	<u>37,888</u>	<u>2,711</u>
EXPENDITURES:				
Salaries	2,900	2,900	3,954	(1,054)
Telephone	700	700	747	(47)
Repairs and maintenance	3,500	3,500	3,340	160
Insurance	12,000	12,000	12,197	(197)
Supplies	1,400	1,400	1,556	(156)
Utilities	1,500	1,500	1,708	(208)
Capital outlay			1,147	(1,147)
Bond interest	5,677	5,677	2,444	3,233
Miscellaneous			75	(75)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	<u>27,677</u>	<u>27,677</u>	<u>27,168</u>	<u>509</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	7,500	7,500	10,720	2,202
OTHER FINANCING SOURCES (USES):				
Transfer out			(3,738)	(3,738)
Loan payments - USDA	(7,500)	(7,500)	(7,500)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER FINANCING SOURCES (USES):	<u>(7,500)</u>	<u>(7,500)</u>	<u>(11,238)</u>	<u>(3,738)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(518)</u>	<u>(518)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>77,026</u>	<u>77,026</u>	<u>77,026</u>	
FUND BALANCE - END OF YEAR	<u>\$ 77,026</u>	<u>\$ 77,026</u>	<u>\$ 76,508</u>	<u>\$ (518)</u>

See the accompanying notes.

BROOKFIELD TOWNSHIP, HURON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Property taxes	\$ 129,322	\$ 128,934	\$ (388)
Interest		1	1
TOTAL REVENUE	<u>129,322</u>	<u>128,935</u>	<u>(387)</u>
EXPENDITURES:			
Public Utilities	200	175	25
Road construction/maintenance	<u>150,000</u>	<u>117,610</u>	<u>32,390</u>
TOTAL EXPENDITURES	<u>150,000</u>	<u>117,785</u>	<u>32,215</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(20,678)	11,150	31,828
OTHER FINANCING SOURCES (USES):			
Transfer out		<u>(10,887)</u>	<u>(10,887)</u>
TOTAL OTHER FINANCING SOURCES (USES):	<u>-</u>	<u>(10,887)</u>	<u>(10,887)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES	<u>(20,678)</u>	<u>263</u>	<u>(10,887)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>6,949</u>	<u>6,949</u>	
FUND BALANCE - END OF YEAR	<u>\$ (13,729)</u>	<u>\$ 7,212</u>	<u>\$ 20,941</u>

See the accompanying notes.

ADDITIONAL INFORMATION

BROOKFIELD TOWNSHIP, HURON COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE			
Taxes:			
Current property tax	\$ 37,208	\$ 37,092	\$ (116)
Licenses & permits		15	15
Intergovernmental revenue:			
State shared revenue	44,000	43,420	(580)
Metro		3,031	3,031
Other revenues:			
Miscellaneous		2,200	2,200
Total other revenues	-	2,200	2,200
TOTAL REVENUE	<u>81,208</u>	<u>85,758</u>	<u>4,550</u>
EXPENDITURES			
Legislative:			
Salaries & wages - township board	1,800	1,800	-
Miscellaneous	490	10	480
Total Legislative	<u>2,290</u>	<u>1,810</u>	<u>480</u>
Executive:			
Salaries and wages	8,000	8,000	-
Office supplies & expenses	3,495	1,305	2,190
Total Executive	<u>11,495</u>	<u>9,305</u>	<u>2,190</u>
Clerk:			
Salaries & wages	5,000	5,000	-
Office supplies & expenses	8,289	1,348	6,941
Printing and publishing	250	13	237
Total Clerk	<u>13,539</u>	<u>6,361</u>	<u>7,178</u>
Board of Review:			
Salaries & wages	325	325	-
Office supplies & expenses	321	229	92
Total Board of Review	<u>646</u>	<u>554</u>	<u>92</u>

BROOKFIELD TOWNSHIP, HURON COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES: (Continued)			
Treasurer:			
Salaries & wages	\$ 5,500	\$ 5,500	-
Office supplies & expenses	1,000	881	\$ 119
Printing & publishing	-	-	-
Tax statement preparation	3,000	2,216	784
Miscellaneous	6,120	6,925	(805)
Total Treasurer	<u>15,620</u>	<u>15,522</u>	<u>98</u>
Township Hall & Grounds:			
FICA	385	498	(113)
Operating supplies	850	170	680
Insurance	4,000	2,938	1,062
Repairs & maintenance	8,164	7,045	1,119
Capital outlay	6,000	235	5,765
Utilities	1,500	1,798	(298)
Total Township Hall & Grounds	<u>20,899</u>	<u>12,684</u>	<u>8,215</u>
Zoning Board	<u>1,770</u>	<u>730</u>	<u>1,040</u>
Drain at Large	<u>9,970</u>	<u>9,230</u>	<u>740</u>
Elections:			
Salaries & wages	<u>740</u>	<u>740</u>	<u>-</u>
Total elections	<u>740</u>	<u>740</u>	<u>-</u>
Parks and Cultural:			
Supplies	500	500	-
Drug enforcement	-	-	-
Total Parks and Cultural	<u>500</u>	<u>500</u>	<u>-</u>
TOTAL EXPENDITURES	<u>77,469</u>	<u>57,436</u>	<u>20,033</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>3,739</u>	<u>28,322</u>	<u>24,583</u>
OTHER FINANCING SOURCES (USES):			
Transfer In	-	14,625	14,625
TOTAL OTHER FINANCING SOURCES (USES):	-	<u>14,625</u>	<u>14,625</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES	<u>3,739</u>	<u>42,947</u>	<u>39,208</u>
FUND BALANCE - BEGINNING OF YEAR	<u>118,878</u>	<u>118,878</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$122,617</u>	<u>\$161,825</u>	<u>\$ 39,208</u>

See the accompanying notes.

BROOKFIELD TOWNSHIP, HURON COUNTY
COMBINED BALANCE SHEET -
SPECIAL REVENUE FUNDS
March 31, 2008

	<u>FIRE FUND</u>	<u>ROAD FUND</u>	<u>TOTAL (MEMORANDUM)</u>
<u>ASSETS</u>			
Cash	\$ 84,783	\$ 500	\$ 85,283
Taxes receivable		-	-
Due from other funds	<u>1,669</u>	<u>6,712</u>	<u>8,381</u>
<u>TOTAL ASSETS</u>	<u>\$ 86,452</u>	<u>\$ 7,212</u>	<u>\$ 93,664</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES:			
Due to other funds	<u>\$ 9,944</u>		<u>\$ 9,944</u>
TOTAL LIABILITIES	<u>9,944</u>	<u>-</u>	<u>9,944</u>
FUND EQUITY:			
UNDESIGNATED	<u>76,508</u>	<u>\$ 7,212</u>	<u>83,720</u>
TOTAL FUND EQUITY	<u>76,508</u>	<u>7,212</u>	<u>83,720</u>
<u>TOTAL LIABILITIES & FUND EQUITY</u>	<u>\$ 86,452</u>	<u>\$ 7,212</u>	<u>\$ 93,664</u>

See the accompanying notes.

BROOKFIELD TOWNSHIP, HURON COUNTY
SCHEDULE OF CHANGES IN ASSETS & LIABILITIES -
CURRENT TAX COLLECTION FUND
YEAR ENDED MARCH 31, 2008

	<u>BALANCE</u> <u>3/31/2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>3/31/2008</u>
<u>ASSETS</u>				
Cash in bank	\$ 8,308	\$ 875,708	\$ 881,995	\$ 2,021
Taxes receivable	<u>33,061</u>	<u>42,390</u>	<u>33,061</u>	<u>42,390</u>
TOTAL ASSETS	<u>\$ 41,369</u>	<u>\$ 918,098</u>	<u>\$ 915,056</u>	<u>\$ 44,411</u>
 <u>LIABILITIES</u>				
Due to general fund	\$ 10,135	\$ 10,135	\$ 3,952	\$ 3,952
Due to special revenue fund	7,928	7,928	8,381	8,381
Due to other governmental units	<u>23,306</u>	<u>896,993</u>	<u>905,765</u>	<u>32,078</u>
TOTAL ASSETS	<u>\$ 41,369</u>	<u>\$ 915,056</u>	<u>\$ 918,098</u>	<u>\$ 44,411</u>

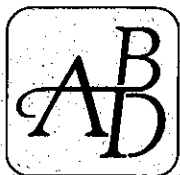
See the accompanying notes.

BROOKFIELD TOWNSHIP, HURON COUNTY
SCHEDULE OF USDA NOTE AGREEMENT
FIRE FUND
YEAR ENDED MARCH 31, 2008

FISCAL YEAR BEGINNING APRIL 1	PRINCIPAL DUE OCTOBER 1	INTEREST RATE	INTEREST DUE APRIL 1	INTEREST DUE OCTOBER 1	TOTAL
2008	\$ 7,500	4.25%	\$ 2,284	\$ 2,284	\$ 12,069
2009	7,500	4.25%	2,125	2,125	11,750
2010	10,000	4.25%	1,966	1,966	13,931
2011	10,000	4.25%	1,753	1,753	13,506
2012	10,000	4.25%	1,541	1,541	13,081
2013	10,000	4.25%	1,328	1,328	12,656
2014	10,000	4.25%	1,116	1,116	12,231
2015	10,000	4.25%	903	903	11,806
2016	10,000	4.25%	691	691	11,381
2017	10,000	4.25%	478	478	10,956
2018	12,500	4.25%	266	266	13,031
TOTALS	\$ 107,500		\$ 14,450	\$ 14,450	\$ 136,400

The USDA Note Agreement was issued under the authority of Act 99, Public Acts of Michigan, 1933 as amended. The note proceeds were used to purchase a Fire Truck and was originally issued in the amount of \$130,000. The first interest payment is due April 1, 2004 and is due semi-annually thereafter. The first principal payment of \$5,000 is due October 1, 2004, with payments due annually thereafter.

See the accompanying notes.



ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants

Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA
Valerie J. Hartel, CPA
Terry L. Haske, CPA
Jamie L. Peasley, CPA
Timothy Franzel

.....
Robert L. Tuckey, CPA

September 22, 2008

To the Members of the Board
Township of Brookfield

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Brookfield for the year ended March 31, 2008, and have issued our report thereon dated September 22, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 23, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 27, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township of Brookfield are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Township of Brookfield changed its accounting policies related to full accrual financial statements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 34, in 2008. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note 1. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 22, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

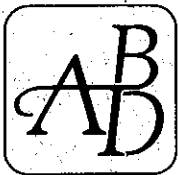
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Members of the Board and management of the Township of Brookfield and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Anderson, Tuckey, Bernhardt & Doran, P.C.

Anderson, Tuckey, Bernhardt, & Doran, P.C.
Certified Public Accountants



ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

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September 22, 2008

Members of the Board Township of Brookfield

In planning and performing our audit of the financial statements of the Township of Brookfield as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control. During the course of the audit, we observed the following significant deficiencies:

Segregation of Duties

Due to the limited number of people, many critical duties are combined and given to the available employees. To the extent possible, duties should be segregated to serve as a check and balance and to maintain the best control system possible. We recommend the Township segregate duties whenever possible.

Financial Statements

After considering the qualifications of the accounting personnel of the Township of Brookfield, we believe that the personnel have the abilities to maintain the day-to-day bookkeeping of the Township, but they do not have the qualifications and abilities to generate financial statements, including the required footnotes, in accordance with accounting principles generally accepted in the United States of America.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting and internal control over compliance was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

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Members of the Board
September 22, 2008
Page two

This communication is intended solely for the information and use of management and others within the governmental unit and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to be of service to the Township of Brookfield and look forward each year to continuing our relationship. The cooperation extended to us by your staff throughout the audit was greatly appreciated. Should you wish to discuss any item included in this letter further, we would be happy to do so.

Very truly yours,

Anderson, Tuckey, Bernhardt & Doran, P.C.

Anderson, Tuckey, Bernhardt & Doran, P.C.
Certified Public Accountants